The Cochin Children Bill.

A Regulation to make further provisions for the custody, trial and punishment of youthful offenders and for the protection of children and young persons.

Preamble.

Whereas it is expedient to provide further for the custody, trial and punishment of youthful offenders and for the protection of children and young persons; It is hereby enacted as follows:—

Title and preamble put and carried.

Mr. Thomas Manjuran.—I move that the Bill may be taken up and finally passed on the day after tomorrow.

Mr. T. S. Narayana Ayyar.—I second it.

Motion put and carried.

The Cochin Income-tax Regulation Amendment Bill.

Mr. Thomas Manjuran.—Sir, I beg to present the Select Committee Report on the Cochin Income Tax Regulation Amendment Bill and I also move that the Bill as reported by the Select Committee be taken up for consideration.

Mr. T. S. Narayana Ayyar.—I second it.

Motion put and carried.

Mr. President.—The question is that clause 2 stand part of the Bill.

Addition of a new clause after clause (5) of Section 2.

2. After clause (5) of section 2 of the said Regulation, the following clause shall be inserted, namely.—

"(5) (a) "Firm", "partner" and "partnership" have the same meanings respectively as in the Indian Contract Act, 1872, as made applicable to Cochin by His Highness the Maharaja's Proclamation, dated 13th Karkadagam 1083".

Clause put and carried.

Mr. President.—The question is that clause 3 stand part of the Bill.

Mr. Thomas Manjuran.—Sir, I rise to move the following amendment:- "Substitute the figure '4' for the letter 'A'. It is only a printer's devil.

Mr T. S. Narayana Ayyar.—I second it.

Amendment put and carried.

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Mr. President.—The question is that clause 3 as amended stand part of the Bill.

3. In section 4 of the said Regulation.—

Amendments to Section 4.

(a) In sub-section (2).—

(i) For the words "profits and gains of a business", the words "income, profits and gains" shall be substituted, and before the word "profits", where it occurs for the second time, the word "income" shall be inserted;

(ii) the words "provided that they are so received or brought in within three years of the end of the year in which they accrued, or arose", shall be omitted;

(iii) the following provisos shall be added, namely.—

"Provided that nothing contained in this sub-section shall apply to any income, profits or gains so accruing or arising prior to the first day of Chingom 1110, unless they are income, profits or gains of a business and are received in or brought into Cochin within three years of the end of the year in which they accrued or arose:

Provided further that nothing in this sub-section shall apply to income from agriculture arising or accruing in British India or an Indian State from land for which any annual payment in money or in kind is made to British India or to the State;" and

(iv) in the explanation, before the word "profits", the word "income" shall be inserted.

(b) In sub-section (3),—

(i) After the words "provident fund" in clause (iv) the words "instituted by Government," shall be inserted;

(ii) in clause (v) the word "such" shall be inserted between the words "any" and "provident fund";

(iii) clause (viii) shall be omitted;

(iv) after clause (ix) the following clause shall be inserted, namely:—

"(x) Any income received by trustees on behalf of a recognised provident fund as defined in clause (a) of section 56A".

Clause put and carried.

Mr. President.—The question is that clauses 4 to 18 both inclusive stand part of the Bill.

4. In section 5 of the said Regulation—

Amendment to section 5.

(a) In sub-section (2), for the words "in respect of such classes of persons and such classes of income" the words "in respect of such persons or classes of persons and of such incomes or classes of incomes" shall be substituted.

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5. In sub-section (1) of section 7 of the said Regulation—

Amendment to Section 7.

After the words "on behalf of the Government" the words "of Cochin, a foreign Government" shall be inserted.

6. In the first proviso to section 8 of the said Regulation, after the word "Provided" the word "further" shall be inserted, and before the said proviso as so amended the following proviso shall be inserted, namely:—

Amendments to Section 8.

"Provided that no income-tax shall be payable under this section by the assessee in respect of any sum deducted from such interest by way of commission by a banker realising such interest on behalf of the assessee".

7. For clause (iv) of sub-section (i) of section 9 of the said Regulation the following clause shall be substituted, namely:—

Amendment to Section 9.

"(iv) Where the property is subject to a mortgage or other capital charge, the amount of any interest on such mortgage or charge; where the property is subject to a ground rent, the amount of such ground rent; and where the property has been acquired with borrowed capital, the amount of any interest payable on such capital and not specifically charged upon the property itself.

8. For sub-section (2) of section 11 of the said Regulation the following sub-section shall be substituted, namely:—

Amendment to Section 11.

"(2) Such profits or gains shall be computed after making the following allowances, namely:—

(i) Any expenditure (not being in the nature of capital expenditure) incurred solely for the purposes of such profession or vocation and not being personal expenses of the assessee;

(ii) in respect of depreciation of buildings and depreciation and obsolescence of machinery, apparatus, appliances, plant, furniture or other capital assets being the property of the assessee and used solely for the purposes of such profession or vocation, the allowances specified in clauses (vi) and (vii) of sub-section (2) of section 10 subject to all the conditions specified in those clauses."

9. In section 15 of the said Regluation,—

Amendments to Section 15.

(a) In sub-section (1) the words "instituted by Government" shall be inserted after the words "Provident Fund".

(b) In sub-section (3) the words "and any sums exempted under sub-section (1) of section 56F" shall be inserted after the words "sub-section (1) of section 7."

10. In sub-section (1) of section 16 of the said Regulation, for the words and figure "proviso to section 8" the words and figure "second proviso to section 8" shall be substituted.

Amendment to Section 16.

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11. In section 17, the figure "(1)" between the figure "17" and the word "Where" shall be omitted.

Amendment to Section 17.

12. In section 18 of the said Regulation,—

Amendments to Section 18.

(a) After sub-section (2) the following sub-section shall be inserted, namely:—

"(2) (a) Notwithstanding anything hereinbefore contained, for the purpose of making the deduction under sub-section (2), there shall be included in the amount payable any income chargeable under the head 'Salaries' which is payable to the assessee out of India by or on behalf of Government, and the value in rupees of such income shall be calculated at the prescribed rate of exchange".

(b) (i) In sub-section (3) after the word "shall" the words "unless otherwise prescribed in the case of any security of the Government of Cochin" shall be inserted.

(ii) The following proviso shall be added, namely:—

" Provided that where the Income-tax Officer gives a certificate in writing (which certificate he shall give in every proper case on the application of the assessee) that to the best of his belief the total income of a recipient will be less than the minimum liable to income-tax or will be liable to a rate of income-tax less than the maximum rate the person responsible for paying any income herein referred to to such recipient, shall, until such certificate is cancelled by the Income-tax Officer, pay the income without deduction or deduct the tax at such less rate as the case may be.

(c) In sub-section (7),—

(i) After the words "as required by" the words "or under" shall be inserted, and for the word "personally" the words "an assessee" shall be substituted; and

(ii) the following proviso shall be added, namely,—

'Provided that the Income-tax Officer shall not make a direction under sub-section (1) of section 49 for the recovery of any penalty from such person, unless satisfied that such person has wilfully-failed to deduct and pay the tax".

13. After section 21 of the said Regulation, the following section shall be inserted.—

Addition of a new Section after Section 21.

"21A. The person responsible for paying any interest not being 'interest on Securities' shall, on or before the fifteenth day of Thulam in each year, furnish to the prescribed officer a return in the prescribed form and verified in the prescribed manner of the names and addresses of all persons to whom during the previous financial year he has paid interest or aggregate interest exceeding such amount not being less than one thousand rupees as may be prescribed in this behalf, together with the amount paid to each such person".

Supply of information regarding interest.

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14. In section 24 of the said Regulation,—

Amendments to Section 24.

(a) In sub-section (1) for the figure "22" substitute the figure "23".

(b) In sub-section (4) after the word "Judgment" the following words and proviso shall be inserted, namely:—

"and, in the case of a registered firm, may cancel its registration:

Provided that the registration of a firm shall not be cancelled until fourteen days have elapsed from the issue of a notice by the Income-tax Officer to the firm intimating his intention to cancel its registration."

15. After section 24, the following section shall be inserted, namely:—

Addition of a new Section after Section 24.

"24A. (1) Where the Income-tax Officer is satisfied that any firm or other association of individuals carrying on any business, other than a Hindu undivided family, an undivided Marumakkathayam tarawad or a company, is under the control of one member thereof, and that such firm or association has been formed or is being used for the purpose of evading or reducing the liability to tax of any member thereof, he may, with the previous approval of the Deputy Commissioner, pass an order that the sum payable as income-tax by the firm or association shall not be determined, and thereupon the share of each member in the profits and gains of the firm or association shall be included in his total income for the purpose of his assessment thereon.

Power to assess individual members of certain firms, associations and companies.

Explanation.—A member of a firm or association who owns the whole or the major portion of the capital of the firm or association shall not by reason only of that fact be deemed to control the firm or association.

(2) Where the Income-tax Officer is satisfied that a company is under the control of not more than five of its members and that its profits and gains are allowed to accumulate beyond its reasonable needs, existing and contingent, having regard to the maintenance and development of its business, without being distributed to the members, or that a reasonable part of its profits and gains, having regard to the said needs, has not been distributed to its members in such manner as to render the amount distributed liable to be included in their total income, and that such accumulation or failure to distribute is for the purpose of preventing the imposition of tax upon any of the members in respect of their shares in the profits and gains so accumulated or not distributed, the Income-tax Officer may, with the previous approval of the Deputy Commissioner, pass an order that the sum payable as Income-tax by the company shall not be determined, and thereupon the proportionate share of each member in the profits and gains of the company, whether such profits and gains have been distributed to the members or not, shall be included in the total income of such member for the purpose of his assessment thereon:

Provided that this sub-section shall not apply to any company which is a subsidiary company or in which the public are substantially intereste d

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Explanation.—For the purpose of this sub-section—

(a) A company shall be deemed to be a subsidiary company, if, by reason of the beneficial ownership of shares therein, the control of the company is in the hands of a company not being a company to which the provisions of this sub-section apply or of two or more companies none of which is a company to which those provisions apply;

(b) a company shall be deemed to be a company in which the public are substantially interested if shares of the company (not being shares entitled to a fixed rate of dividend, whether with or without a further right to participate in profits) carrying not less than twenty-five per cent of the voting power have been allotted unconditionally to, or acquired unconditionally by, and are at the end of the previous year beneficially held by, the public (not including a company to which the provisions of this sub-section apply) and if any such shares have in the course of such previous year been the subject of dealings in any stock exchange in Cochin State or are in fact freely transferable by the holders to other members of the public;

(c) unless the contrary is proved, a company shall be deemed to be under the control of any persons where the majority of the voting power or shares is in the hands of those persons or of relatives or nominees of those persons;

(d) "nominee" means a person who may be required to exercise his voting power on the directions of, or holds shares directly or indirectly on behalf of, another person.

(3) The Deputy Commissioner shall not give his approval to any order proposed to be passed by the Income-tax Officer under this section until he has given the firm, association or company concerned an opportunity of being heard.

(4) (i) Where any member of a firm or association of individuals makes default in the payment of tax on his share of profits and gains which has been included in his total income under the provisions of sub-section (1), such tax may be recovered from the firm or association, as the case may be.

(ii) Where the proportionate share of any member of a company in the undistributed profits and gains of the company has been included in his total income under the provisions of sub-section (2), the tax payable in respect thereof shall be recoverable from the company and may be recovered from such member, if there are not sufficient funds in the hands of the company to pay the tax, or if the winding up of the company has commenced.

(iii) Where tax is recoverable from a company, firm or other association under this sub-section a notice of demand shall be served upon it in the prescribed form showing the sum so payable, and such company, firm or association shall be deemed to be the assessee in respect of such sum, for the purposes of Chapter VII.

(5) Where tax has been paid in respect of any undistributed profits and gains of a company under this section, and such profits and gains are subsequently distributed in any year, the proportionate share therein of any member of the company shall be excluded in computing his total income of that year."

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16. In section 25 of the said regulation:—

Amendments to Section 25.

(a) In sub-section (2) after the words "any member of such firm" the words "or any person who being a minor has been admitted to the benefits of partnership in such firm" shall be inserted: and

(b) to the same sub-section as so amended the following shall be added, namely:—

"or to his share of the benefits of partnership, as the case may be".

17. After section 25 of the said Regulation, the following sections shall be inserted, namely:—

Addition of two new sections after Section 25.

"25A. (1) When it appears to the Income-tax Officer that any person may leave Cochin State during the current financial year, or shortly after its expiry and that he has no present intention of returning, the Income-tax Officer may proceed to assess him on his total income for the period from the expiry of the last previous year for which he has been assessed to the probable date of his departure from Cochin. For each completed previous year included in this period an assessment shall be made on the total income of such person at the rate at which it would have been charged had such income been fully assessed and for the period from the expiry of the last of such previous years to the probable date of departure, the Income-tax Officer shall estimate the total income of such person and assess it at the rate in force for the financial year in which such assessment is made:

Assessment in case of departure from Cochin State.

Provided that nothing herein contained shall authorise an Income-tax Officer to assess any income, profits or gains which have escaped assessment or have been assessed at too low a rate in respect of which he is debarred from issuing a notice under section 36.

(2) For the purpose of making an assessment under sub-section (1), the Income-tax Officer may serve a notice upon such person requiring him to furnish, within such time not being less than seven days as may be specified in the notice, a return in the same form and verified in the same manner as a return under sub-section (2) of section 23, setting forth (along with such other particulars as may be provided for in the notice) his total income for each of the completed previous years comprised in the period first referred to in sub-section (1) and his estimated total income for the period from the expiry of the last such completed previous year to the probable date of his departure; and the provisions of this Regulation shall, so far as may be, apply as if the notice were a notice issued under sub-section (2) of section 23.

25 B. (1) Where a person dies, his executor, adminstrator or other legal representative shall be liable to pay out of the estate of the deceased person to the extent to which the estate is capable of meeting the charge the tax assessed as payable by such person, or any tax which would have been payable by him under this Regulation if he had not died.

Tax of deceased person payable by representative.

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(2) Where a person dies, before he is served with a notice under sub-section (2) of section 23 or section 36, as the case may be, the Income-tax Officer may serve on his executor, administrator or other legal representative a notice under sub-section (2) of section 23 or under section 36, as the case may be, and may proceed to assess the total income of the deceased person as if such executor administrator or other legal representative were the assessee.

(3) Where a person dies, without having furnished a return which he has been required to furnish under the provisions of sub-section (2) of section 23, or having furnished a return which the Income-tax Officer has reason to believe to be incorrect or incomplete. the income-tax Officer may make an assessment of the total income of such person and determine the tax payable by him on the basis of such assessment, and for this purpose may require from the executor, administrator or other legal representative of the deceased person any accounts, documents or other evidence which he might under the provisions of sections 23 and 24 have required from the deceased person."

18. After section 28 of the said Regulation, the following section shall be inserted:—

Addition of a new Section after Section 28.

"28 A. (1) Application may be made to the Income-tax Officer on behalf of any firm constituted under an instrument of partnership specifying the individual shares of the partners, for registration for the purposes of this Regulation and of any other enactment for the time being in force relating to income-tax.

Procedure in registrationof firms.

(2) The application shall be made by such person or persons, and at such times and shall contain such particulars and shall be in such form, and be verified in such manner, as may be prescribed; and it shall be dealt with by the Income-tax Officer in such manner as may be prescribed".

Clauses put and carried.

Mr. President.—The question is that clause 19 stand part of the Bill.

Mr. Thomas Manjuran.—Sir, I beg to move the following amendment:—"In sub-clause (2) of section 30 proposed by sub-clause (c) of clause 19 insert the words "or the Commissioner" after the words, 'the Deputy Commissioner'.

Amendment put and carried.

Mr. President.—The question is that clause 19 as amended stand part of the Bill.

19. In section 30 of the said Regulation—

Amendments to section 30.

(a) the provisos to sub-section (1) shall be omitted.

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(b) sub-section (2) shall be renumbered as sub-section (5).

(c) after sub-section (1) so amended the following sub-sections shall be inserted.—

"(2) If the Income-tax Officer, the Deputy Commissioner, or the Commissioner in the course of any proceedings under this Regulation, is satisfied that the profits of a registered firm have been distributed otherwise than in accordance with the shares of the partners as shown in the instrument of partnership registered under this Regulation governing such distribution, and that any partner has thereby returned his income below its real amount, he may direct that such partner shall, in addition to the income-tax payable by him, pay by way of penalty a sum not exceeding the amount of income-tax which has been avoided, or would have been avoided if the income returned by such partner had been accepted as his correct income; and no refund or other adjustment shall be claimable by any other partner by reason of such direction.

(3) No order shall be made under sub-section (1) or subsection (2), unless the assessee or partner, as the case may be, has been heard, or has been given a reasonable opportunity of being heard.

(4) No prosecution for an offence against this Regulation shall be instituted in respect of the same facts on which a penalty has been imposed under this section".

Clause put and carried.

Mr. President.—The question is that clauses 20 to 26 stand part of the Bill.

20. In section 32 of the said Regulation.—

Amendments to section 32.

(a) In sub-section (1) after the words "objecting to a refusal of an Income-tax Officer" the words "to register a firm under section 28 A or" and after the words and figure "section 26" the words and figure "or section 27" shall be inserted.

(b) In sub-section (2) after the words "objected to" the words "or of the intimation of the refusal to register a firm under section 28A" shall be inserted.

21. In section 33 of the said Regulation—

Amendments to section 33.

(i) sub-clause (c) of sub-section (3) shall be re-numbered as sub-clause (d),

(ii) after sub-clause (b) of sub-section (3), the following shall be inserted, namely.—

"or in the case of an order, refusing to register a firm under section 28A or to make a fresh assessment under section 29".

"(c) confirm such order or cancel it, and direct the Income-tax Officer to register the firm or to make a fresh assessment as the case may be".

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22. In sub-section (1) of section 34 of the said Regulation—

Amendments to section 34.

(a) After the words "objecting to an order passed by" the words and figures "an Income-tax Officer under sub-section (1) or sub-section (2) of section 24A or to an order passed by" shall be inserted.

(b) For the words "the making of such order" the words "the date on which he was served with notice of such order" shall be substituted.

23. In the proviso to section 36 of the said Regulation for the word "a" after the words "provided that" the word "the" shall be substituted.

Amendment to section 36.

24. In section 39 of the said Regulation, after the words and figures, "within the meaning of sections 179 and 214" the words and figure "and for the purposes of section 182" shall be inserted.

Amendment to section 39.

25. To section 40 of the said Regulation the following clause shall be added, namely:—

Addition of a new clause to section 40.

"(3) Require any person whom he has reason to believe to be engaged in business, to furnish him with a return containing particulars of the location and style of his principal place of business, and of his branch businesses, if any, the names and addresses of his partners in any business, and the extent of his own share and the shares of all such partners in the profits of such business or businesses".

26. In section 48 of the said Regulation after the words "in a notice of demand", the words and figures "under sub-section (4) of section 24A or" shall be inserted.

Amendment to section 48.

Clauses put and carried.

Mr. President.—The question is that clause 27 stand part of the Bill.

Mr. Thomas Manjuran.—I beg to move the following amendment:— Insert the following clause:— "27. To sub-section (3) of section 49 of the said Regulation, the following proviso shall be added , namely:— "Provided that without prejudice to any other powers of the Deputy Commissioner in this behalf, he shall, for the purpose of recovering the said amount have, in respect of the attachment and sale of debts due to the assessee, the powers which, under the Code of Civil Procedure, 1079, a Civil Court has in respect of the attachment and sale of debts due to a judgment debtor, for the purpose of the recovery of an amount due under a decree". All the non-official members of the Select Committee resolved that this clause should be deleted from the bill. The Government consider that in the interests of expeditious and successful collection of income tax due from assessees it is highly necessary that this proviso

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should be reintroduced. This proviso enables the Income Tax Commissioner or Deputy Commissioner to attach and sell the debts that may be due to assessees. In a country like Cochin and especially in the town of Mattancherri we have merchants who have no landed properties at all in the State and the money that might be due from these people may not be realised if they leave the State after closing their business. In view of the existence of floating merchant population it is obvious that this power to attach and sell the debts due to the assessees is necessary and desirable. Otherwise it will be practically impossible in the case of merchants who have no landed properties in the State to recover the amount due to the Government. Such an amendment was introduced in British India. The Hon'ble Members will see that there is absolutely no penal clause in it. It is only a *modus operandi* for collecting the amounts legitimately due to the Government.

Mr. A. Sankara Menon.—Is there any instance of the kind?

Mr. Thomas Manjuran.—Yes; there have been instances in British India. It may be resorted to here also. Is it not only fair that amounts that are due to the State from assessees who do not own any landed properties must be realised from the debts that are due to such assessees? Is it not fair that legitimate dues should be collected? Why should we impose a premium for people to go away and refuse to pay income tax? We have to consider that very many merchants in Mattancheri do not possess any landed interests in the State.

It appears to me that it is quite clear that such a provision is highly necessary. Somehow or other when the British Indian Act was passed, the matter did not attract the attention of the Government of India. We copied from that act and our attention was also not attracted. But in practice, the Government of India found that such a provision was highly necessary. We are only copying the provisions of the British Indian Act. I request Hon'ble Members to see the absolute necessity of such a provision and vote that the proviso may be re-introduced in the bill.

Mr. A. Sankara Menon.—I oppose this motion. There are several amounts which can be recovered as arrears of land revenue. There is no reason for making income-tax an exception in this particular. The argument presupposes that the Government cannot in any way go against these debts due to the defaulters. That is not so. What I want to say is that if

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they want to go against items other than those to which the Revenue Recovery Regulation would apply they must have recourse to ordinary courts. There is no reason why they should have special power, with regard to arrears of income tax alone. There is one particular reason why I say that this power should not be given to the Government. Large amounts may be due from the incometax defaulters to other creditors and if the debts are attached the other creditors will suffer. And this power does not exist with regard to other items which are recoverable as arrears of land revenue. There is ample power under the Revenue Recovery Regulation for the recovery of incometax, and if they want to go against the debts they can go to the regular courts.

മിസ്റ്റർ പോപ്പട്ടലാൽ ഗോവർധനലാലൻ.— സർ, ഞാൻ ഈ അമൻറുമെൻറിനെ എതിർക്കുന്നു. ബഹുമാനപ്പെട്ട ലാമെമ്പർ, മട്ടാഞ്ചേരിയിലും മറ്റുമുള്ള കച്ചവടക്കാർ പണക്കാരായിത്തീർന്നു ആദായം കൊടുക്കാതെ ഒളിച്ചോടിപ്പോകുകയാണെങ്കിൽ ഗവമ്മെൻറിനു നഷ്ടം വരും; അതുകൊണ്ടു ഒരു ഡിപ്യൂട്ടികമ്മീഷണർ വേണ്ടതാണു എന്നു പറയുകയുണ്ടായി, എന്നാൽ ഗവമ്മെൻറു കടവും മറ്റുള്ള കച്ചവടക്കാരുടെ കടവും തമ്മിൽ വ്യത്യസ്തപ്പെട്ടുത്തുന്നതു് വളരെ സങ്കടമാണു്. ഇവർക്കു ഒളിച്ചോടിപ്പോകാൻ കഴിയുന്നതാണോ? ഇൻകംടാക്സ് ആഫീസിൽ പണം കൊടുക്കാതെ കഴിച്ചുകൂട്ടുവാൻ പാവപ്പെട്ട കച്ചവടക്കാർ ഓടിപ്പോകുമെന്നു വിചാരിച്ചതിൽ വളരെ അതിശയിക്കുന്നു. ഇൻകംടാക്സ് ചുമത്തുന്നതിൻെറ അർത്ഥം ആദായമുണ്ടെങ്കിൽ അതിനു ആദായനികുതി കൊടുക്കണമെന്നതാണു്. അതുകൊണ്ടു ആദായമുള്ളവർ പുറത്തേക്കോടിപ്പോകുമെന്നു വിചാരിക്കുന്നതു് ശരിയാണെന്നു തോന്നുന്നില്ല. ഇൻകംടാക്സ് എന്നു പറഞ്ഞാൽ ആദായത്തിൽ ഒരു ഭാഗം ഗവമ്മെണ്ടിനു കൊടുക്കണമെന്നതാണു്. ഈ ആദായനികുതി കൊടുക്കുന്നതിൽ കച്ചവടക്കാർ വിസമ്മതമുള്ളവരായിരിക്കുമെന്നു സംശയിച്ചിട്ടു എന്തെങ്കിലും പ്രൊവൈസോ കൊണ്ടുവരുകയാണെങ്കിൽ അതു നമ്മുടെ നിയമങ്ങളെത്തന്നെ ദുഷിപ്പിക്കുകയാണെന്നു എനിക്കു തോന്നുന്നു. ഒരാൾ പൊളിഞ്ഞുപോയിട്ടു മറ്റു രാജ്യങ്ങളിൽചെന്നു പണം ഒക്കെമായിട്ടും, മറ്റുപലതരത്തിലും ഇടപാടുകൾചെയ്തു മറ്റുള്ള കച്ചവടക്കാരെ അവിടെ സഹായിക്കുകയാണെങ്കിൽ അതിനു ഇൻകംടാക്സ് നിയമം വേണം. ബഹുമാനപ്പെട്ട ഡിപ്യൂട്ടി പ്രസിഡണ്ടു പറഞ്ഞതുപോലെ നമ്മുടെ രാജ്യത്തു ഈ നിയമം മുഖാന്തിരം ഇൻകംടാക്സ് ആഫിസർമാരേയോ, അല്ലെങ്കിൽ ഡിപ്യൂട്ടി കമ്മീഷണർമാരേയോകൊണ്ടു ഇൻകംടാക്സ് പിരിപ്പിക്കുവാൻ ശ്രമിക്കുന്നതു് അതു ആശാസ്യമെന്നു തോന്നുന്നില്ല. ഇൻകംടാക്സ് കൊടുക്കാൻ മടിച്ചിട്ടു കച്ചവടക്കാർ രാജ്യം

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വിട്ടുപോകുമെന്നു ഭയന്നു ഡിപ്പൂട്ടി കമ്മീഷണർമാരെ ഏർപ്പെടുത്തി നമ്മുടെ നിയമങ്ങളെ ഒഴിപ്പിക്കാതിരിക്കണം.

Mr. K. Achyuta Menon.—The case against the amendment has been put on two grounds by the Hon'ble the Deputy President, viz. (1) the absence of a corresponding power with reference to arrears in very many cases and (2) the liability of abuse of this provision if it is incorporated in the Statute, by the assessing officers. On examination, I must say with due respect that these arguments cannot stand. With regard to revenue arrears, they stand on quite a different footing. In the first place they are concerned with people who have got vested interests. In the majority of cases, the revenue is upon land. In other cases, the revenues are upon sources which are treated for certain purposes as arrears of revenue and there is this distinctive feature. On examination, it will be found that the revenue will be payable by instalments. The entire amount will be spread over many kists and each kist will be payable at stated intervals. In the case of income-tax the assessment is upon the income of the previous year, and assuming for argument sake that the assessee stops his trade, say, this year having made profits last year, it need not necessarily be for the purpose of evading tax, the question is how to proceed against the money of the defaulter. After the defaulting assessee leaves jurisdiction, there is no means of getting at him except through some such powers. The proposed remedy does not touch the person but it is against thedebt which another owes to the assessee. The power is given for recovering what is honestly due to the Government. There would not be any abuse of power. There are greater powers provided in the Income-tax Regulation. There is the power of punishment given to the Income-tax Officers in several cases. If they can be trusted to wield that power, there cannot be any danger of abuse of power as the Deputy President said. If the assessees are honest, there is no use of this provision. The real object of the proposed amendment is to rope in those who are bent upon evading income-tax. This section is necessary for that. I submit that there cannot be a more harmless provision than this. The British Government have also introduced this provision. The assessees in British India do not differ from the assessees in Cochin.

Amendment put and carried.

Mr. President.—The question is that clause 27 as amended stand part of the Bill.

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27. To sub-section (3) of section 49 of the said Regulation, the following proviso shall be added, namely:—

Addition of a proviso to sub-section (3) of section 49.

"Provided that without prejudice to any other powers of the Deputy Commissioner in this behalf, he shall for the purpose of recovering the said amount, have, in respect of the attachment and sale of debts due to the assessee, the powers which, under the Code of Civil Procedure, 1079, a Civil Court has in respect of the attachment and sale of debts due to a judgment-debtor, for the purpose of the recovery of an amount due under a decree".

Clause put and carried.

Mr. President.—The question is that clauses 28 to 34 stand part of the Bill.

28. In section 51 of the said Regulation—

Amendments to section 51.

(a) in sub-section (1),—

(i) after the word "declared" the following words shall be inserted, namely,—

"or that his total income in such year is below the minimum chargeable with income-tax" and

(ii) after the words "between those rates" the following words shall be added namely:—

"or at the rate applicable to the profits and gains of the company at the time of the declaration of such dividend, as the case may be".

(b) in sub-section (2),—

(i) after the words "registered firm" the words "or any person who being a minor has been admitted to the benefits of partnership in such firm" shall be inserted;

(ii) after the words "of that year" the following words shall be inserted, namely:—

"or that his total income of the previous year was below the minimum chargeable with income-tax," and

(iii) after the words "between those rates" the following words shall be added, namely:—

"or at the rate at which income-tax has been levied as the case may be"; and

(c) in sub-section (3),

(i) after the words "in that year" the following words shall be inserted namely:—

"or that his total income of the previous year was below the minimum chargeable with income-tax," and

(ii) after the words "between those rates" the following words shall be added, namely:—

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"or at the rate at which income-tax has been deducted as the case may be."

29. After section 51 of the said Regulation, the following shall be inserted, namely:—

Insertion of four new sections after Section 51.

"51A. (i) If in any case not provided for by section 51 or by the provisions relating to refunds elsewhere contained in this Regulation the Income-tax Officer is satisfied, upon claim made in this behalf, that tax has been paid by or on behalf of any person with which he was not properly chargeable or which was in excess of the amount with which he was properly chargeable, the Income-tax Officer shall allow a refund to such person of the amount so paid or so paid in excess.

General power to make refunds.

(2) The Deputy Commissioner in the exercise of his appellate powers, or the Commissioner in the exercise of his appellate powers or powers of revision is satisfied to the like effect shall in like manner cause a refund to be made by the Income-tax Officer of any amount found to have been wrongly paid or paid in excess.

(3) Nothing in this section shall operate to validate any objection or appeal which is otherwise invalid or to authorise the revision of any assessment or other matter which has become final and conclusive, or the review by any officer of a decision of his own which is subject to appeal or revision, or where any relief is specifically provided elsewhere in this Regulation to entitle any person to any relief other or greater than that relief".

"51B. (1) If any person who has paid Cochin Income-tax for any year on any part of his income proves to the satisfaction of the Income-tax Officer that he has paid United Kingdom Income-tax for that year in respect of the same part of his income, and that the rate at which he was entitled to, and has obtained relief under the provisions of section 27 of the Finance Act, 1920, is less than the Cochin rate of tax charged in respect of that part of his income, he shall be entitled to a refund of a sum calculated on that part of his income at a rate equal to the difference between the Cochin rate of tax and the rate at which he was entitled to, and obtained, relief under that section:

Relief in respect of United Kingdom Income tax.

Provided that the rate at which the refund is to be given shall not exceed one-half of the Cochin rate of tax.

(2) In sub-section (1),—

(a) the expression "Cochin Income-tax" means income-tax charged in accordance with the provisions of this Regulation;

(b) the expression "Cochin rate of tax" means the amount of the Cochin income-tax divided by the income on which it was charged;

(c) the expression "United Kingdom Income-tax" means income-tax and super-tax chargeable in accordance with the provisions of the Income-tax Acts.

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"51C. Where under any of the provisions of this Regulation a refund is found to be due to any person, the Income-tax Officer, Deputy Commissioner or Commissioner, as the case may be, may in lieu of payment of the refund, set off the amount to be refunded or any part of that amount against the tax, if any, remaining payable by the person to whom the refund is due.

Power of set off amount of refunds against tax remaining payable.

"51D. Where through death, incapacity, bankruptcy, liquidation or other cause, a person who would but for such cause have been entitled to a refund under any of the provisions of this Regulation, or to make a claim under section 51 or 51A or 51B, is unable to receive such refund or to make such claim, his executor, administrator or other legal representative, or the trustee or receiver, as the case may be, shall be entitled to receive such refund or to make such claim for the benefit of such person or his estate.

Power of representative of deceased person or person disabled to make claim on his behalf.

30. In section 52, after the words, "the tax was recovered" the following words shall be inserted, namely, "or before the last day of the financial year commencing after the expiry of the 'previous year', as defined in clause 12 of section 2 in which the income arose on which the tax was recovered, whichever period may expire later: Provided that a claim to refund under section 51 B, may be admitted after the period of limitation, herein prescribed, when the applicant satisfies the Commissioner, or the Deputy Commissioner of Income-tax specially empowered in this behalf by the Government, that he had sufficient cause for not making the claim within such period".

Amendment to Section 52.

31. After section 52 of the said Regulation, the following section shall be inserted, namely:—

Insertion of a new section after Section 52.

"52-A. (1) Any person objecting to a refusal of an Income-tax Officer to allow a claim to a refund under section 51 or 51A or 51B or to the amount of the refund made in any such case, may appeal to the Deputy Commissioner.

Appeal against refusal of refund.

(2) The appeal shall be presented within 30 days of the date on which the refusal of the refund or the amount of the refund allowed was communicated to the appellant; but the Deputy Commissioner may admit an appeal after the expiration of the period if he is satisfied that the appellant had sufficient cause for not presenting it within that period.

(3) The appeal shall be made in the prescribed form and shall be verified in the prescribed manner.

(4) The Deputy Commissioner, may, after giving the appellant an opportunity of being heard, pass such orders as he thinks fit".

32. In section 53 of the said Regulation—

Amendments to Section 53.

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(a) the figure "(1)" after the figure "53" at the beginning of the section shall be omitted.

(b) in clause (b) for the figure "20" the figure "21" shall be substituted.

(c) in sub-section (c) for the words and figures "sub-section (2) of section 21" the words and figures "section 20, section 21A" shall be inserted.

Amendments to Section 54.

33. In section 54 of the said Regulation, for the words and figures "sub-section (2) of Section 21, section 23, sub-section (3) of section 32 or sub-section (2) of section 34" the words and figures "section 20 or section 21A or section 23 or sub-section (2) of section 28A, or sub-section (3) of section 32 or sub-section (2) of section 34 or sub-section (3) of section 52A" shall be substituted.

Amendments to Section 56.

34. In the first proviso to sub-section (2) of section 56 of the said Regulation, after clause (c) the following shall be inserted, namely:—

"(d) Of any such particulars occasioned by the lawful exercise by a public servant of his powers under the Cochin Stamp Regulation, 1083, to impound an insufficiently stamped document, or

(e) Of such facts to an authorised officer of the United Kingdom, as may be necessary to enable relief to be given under section 27 of the Finance Act, 1920, or a refund to be given under section 51 B of this Regulation:

Provided further, that nothing in this section shall apply to the production by a public servant before a Court of any document, declaration or affidavit filed or the record of any statement or deposition made in a proceeding under section 28A, or to the giving of evidence by a public servant in respect thereof".

Clauses put and carried.

Mr. Thomas Manjuran.—I rise to propose the following amendment: "Substitute the words 'on definite' for 'indefinite' in sub-clause (b) of clause 56 D proposed by clause 35 of the Bill.

Amendment put and carried.

Mr. President.—The question is that clause 35 as amended stand part of the Bill.

Insertion of a new Chapter as Chapter IX A after Section 56.

35. After section 56 of the said Regulation, the following chapter shall be inserted, namely:

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"CHAPTER IX-A.

Special provisions relating to certain classes of Provident Funds.

56. A. In this chapter unless there is anything repugnant in the subject or context.—

Definitions.

(a) a "recognised Provident Fund" means a Provident Fund which has been and continues to be recognised by the Commissioner, in accordance with the provisions of this Chapter;

(b) an "employer" means—

(i) a Hindu undivided family, undivided Marumakkathayam tarawad, Company, firm or other association of individuals, or persons, or

(ii) an individual engaged in a business, profession or vocation whereof the profits and gains are assessable to income tax under section 10 or section 11, maintaining a provident fund for the benefit of his or its employees;

(c) an "employee" means an employee participating in a provident fund, but does not include a personal or domestic servant;

(d) a "contribution" means any sum credited by or on behalf of any employee out of his salary or by an employer out of his own monies, to the individual account of an employee but does not include any sum credited as interest;

(e) the "balance to the credit" of an employee means the total amount to the credit of his individual account in the provident fund at any time;

(f) the "annual accretion" to the balance to the credit of an employee means the increase to such balance in any year, arising from contirbutions and interest;

(g) the "accumulated balance due" to an employee means the balance to his credit, or such portion thereof as may be claimable by him under the regulations of the fund, on the day he ceases to be an employee of the employer maintaining the fund, and

(h) the "regulations of a fund" means the special body of regulations governing the constitution and administration of a particular provident fund.

56B. (1) The Commissioner of Income-tax may accord recognition to any provident fund which, in his opinion, satisfies the conditions prescribed in section 56C, and the rules made thereunder, and may, at any time, withdraw such recognition, if, in his opinion, the provident fund contravenes any of those conditions.

The according and withdrawal of recognition.

(2) The Government may, at its discretion, direct the Commissioner of Income-tax to refuse to accord recognition to any provident fund,

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or may at any time, withdraw the recognition from any recognised provident fund.

(3) An order according recognition shall take effect on such date as the Commissioner may fix in accordance with any rules the Government may make in this behalf, such date not being later than the last day of the financial year in which the order is made.

(4) An order withdrawing recognition shall take effect from the day on which it is made,

(5) An employer objectiong to an order of the Commissioner refusing to recognise a provident fund may appeal within sixty days of such order to the Government.

The appeal shall be in the form and shall be verified in the manner prescribed by the Government.

Conditions to be satisfied by a recognised provident fund.

56C. (1) In order that a provident fund may receive and retain recognition, it shall satisfy the conditions set out below and any other conditions which the Government may, by rule, prescribe—

(a) All employees shall be employed in Cochin, or shall be employed by an employer, whose principal place of business is in Cochin.

(b) The contributions of an employee in any year shall be a definite proportion of his salary for that year, and shall be deducted by the employer from the employee's salary in that proportion, at each periodical payment of such salary in that year, and credited to the employee's individual account in the fund.

(c) Subject to the provisions of section 56D, the contributions of an employer to the individual account of an employee in any year shall not exceed the amount of the contributions of the employee in that year, and shall be credited to the employee's individual account at intervals not exceeding one year.

(d) The fund shall consist of contributions as above specified, of accumulations thereof, and of interest (simple and compound) credited in respect of such contributions and accumulations, and of securities purchased therewith, and of no other sums.

(e) The fund shall be vested in two or more trustees under a trust which shall not be revocable, save with the consent of all the beneficiaries.

(f) The employer shall not be entitled to recover any sum whatsoever from the fund, save in cases where the employee is dismissed for misconduct or voluntarily leaves his employment otherwise than on account of ill-health or other unavoidable cause before the expiration of the term of service specified in this behalf in the regulations of the fund.

In such cases the recoveries made by the employer shall be limited to the contributions made by him to the individual account of the employee, and to interest (simple and compound) credited in respect of such contributions and accumulations thereof, in accordance with the regulations of the fund.

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(g) The accumulated balance due to an employee shall be payable on the day he ceases to be an employee of the employer maintaining the fund.

(h) Save as provided in clause (g), or in accordance with such conditions and restrictions as the Government may, by rules, prescribe, no portion of the balance to the credit of an employee shall be payable to him.

(2) Where there is a repugnance between any regulation of a recognised provident fund and any provision of this Chapter or of the rules made thereunder, the regulation shall to the extent of the repugnance, be of no effect.

The Commissioner may, at any time, require that such repugnance shall be removed from the regulations of the fund.

Power to relax restrictions of employer's contributions in certain cases.

56 D. Subject to any rules which the Government may make in this behalf the Commissioner may, in respect of any particular fund, relax the provisions of condition (c) of sub-section (1) of section 56 C.—

(a) so as to permit the payment of larger contributions by an employer to the individual accounts of employees whose salary does not exceed five hundred rupees per mensem; and

(b) so as to permit the crediting by employers to the individual accounts of employees of periodical bonuses or other contributions of a contingent nature, where the calculation and payment of such bonuses or other contributions is provided for on definite principles by the regulations of the fund.

Annual accretion deemed to be income received

56 E. The annual accretion in any year to the balance at the credit of an employee participating in a recognised provident fund shall be deemed to have been received by him in that year and shall be included in his total income for that year and, subject to the exemptions specified in section 56F, shall be liable to income-tax;

Provided that, for the purpose of sub-section (3) of section 15, out of such annual accretion only the employee's own contributions shall be included in his total income.

Exemption of annual accretion from income tax

56 F. (1) An employee shall not be liable to pay income tax on contributions to his individual accounts in a recognised provident fund, in so far as the aggregate of such contributions in any year does not exceed one-sixth of his salary in that year.

(2) In the accounts of a recognised provident fund, the contributions exempted from income-tax under sub-section (1) and accumulations thereof shall be shown separately, and interest thereon shall be calculated and shown separately. Such interest shall be exempt from payment of income-tax, in so far as it is allowed at a rate not exceeding such rate as the Government may, by notification in the Cochin Government Gazette, fix in this behalf.

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Exemption of accumulated balance from income-tax.

56 G. (1) Where an employee participating in a recognised provident fund has rendered continuous service with his employer for a period of not less than five years, and the accumulated balance due to him becomes payable, such accumulated balance shall be exempt from payment of income-tax and shall be excluded from the computation of his total income:

Provided that the Commissioner of Income-tax may allow such exemption and exclusion where the employee has rendered continuous service with the employer for a period of less than five years, if, in his opinion, the service has been terminated by reason of the employee's ill-health, or by the contraction or discontinuance of the employer's business or other cause beyond the control of the employee.

(2) Where exemption from payment of income-tax is not allowed under the provisions of sub-section (1), the Income-tax Officer shall calculate the total of the various sums of income-tax from the payment of which the contributions and interest credited to the employee's individual account have been exempted, under the provisions of sub-sections (1) and (2) of section 56F, and such total shall be payable by the employee, in addition to any other income-tax for which he may be liable for the year in which the accumulated balance due to him becomes payable.

Deduction at source of income-tax payable on accumulated balances due.

56 H. The trustees of a recognised provident fund or other person authorised by the regulations of the fund to make the payment of the accumulated balances due to employees, shall, at the time an accumulated balance due to an employee is paid, deduct therefrom any income-tax payable under sub-section (2) of section 56G, and any income-tax payable on an employee's total income as determined under sub-section (3) of section 56J, and sub-sections (4) to (9) of section 18 shall apply as if the sum to be deducted were income-tax payable under the head "Salaries".

Accounts of recognised provident funds.

56 I. (1) The accounts of a recognised provident fund shall be maintained by the trustees of the fund and shall be in such form and for such periods, and shall contain such particulars as the Government may prescribe.

(2) The accounts shall be open to inspection at all reasonable times by Income-tax authorities, and the trustees shall furnish to the Income-tax Officer such abstracts thereof as the Government may prescribe.

Treatment of balances is newly recognised provident funds.

56 J. (1) Where recognition is accorded to a provident fund with existing balances an account shall be made of the fund up to the day before the day on which the recognition takes effect, showing the balance to the credit of each employee on such day, and containing such further particulars as the Government may prescribe.

(2) The account shall also show in respect of the balance to the credit of each employee the amount thereof which is to be transferred to that employee's account in the recognised provident fund, and such amount

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(hereinafter called his transferred balance) shall be shown as the balance to his credit in the recognised provident fund on the date on which the recognition of the fund takes effect, and sub-sections (3) and (4) shall apply thereto.

Any portion of the balance to the credit of an employee in the existing fund which is not transferred to the recognised fund shall be excluded from the accounts of the recognised fund and shall be liable to income-tax in accordance with the provisions of this Regulation other than this Chapter.

(3) Subject to such rules as the Government may make in this behalf, the Income-tax Officer shall make a calculation of the aggregate of all sums comprised in a transferred balance which would have been liable to income-tax if this chapter had been in force from the date of the institution of the fund, without regard to any tax which may have been paid on any such sum, and such aggregate (if any) shall be deemed to be income received by the employee in the year in which the recognition of the fund takes effect, and shall be included in the employee's total income for that year; and, for the purposes of assessment, the remainder of the transferred balance shall be disregarded, but no other exemption or relief, by way of refund, or otherwise, shall be granted in respect of any sum comprised in such transferred balance:

Provided that, in cases of serious accounting difficulty, the Commissioner shall have power subject to the said rules, to make a summary calculation of such aggregate.

(4) Notwithstanding anything contained in condition (b) of sub-section (1) of section 56C, an employee, in order to enable him to pay the amount of tax assessed on his total income as determined under sub-section (3), shall be entitled to withdraw from the balance to his credit in the recognised provident fund a sum not exceeding the difference between such amount and the amount to which he would have been assessed if the transferred balance had not been included in his total income.

(5) Nothing in this section shall affect the rights of the persons administering an unrecognised provident fund or dealing with it, or with the balance to the credit of any individual employee, before recognition is accorded in any manner which may be lawful.

Treatment of fund transferred by employer to trustee.

56 K. (1) Where an employer who maintains a provident fund (whether recognised or not) for the benefit of his employees and has not transferred the fund or any portion of it, transfers such fund or portion to trustees in trust for the employees participating in the fund, the amount so transferred shall be deemed to be of the nature of capital expenditure.

(2) When an employee participating in such fund is paid the accumulated balance due to him therefrom, any portion of such balance as represents his share in the amount so transferred to the trustee (without addition of interest, and exclusive of the employee's contributions and interest thereon) shall be deemed to be an expenditure by the employer within the meaning of clause (xi) of sub-section (2) of section 10 incurred in the year in which the accumulated balance due to the employee is paid.

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56 L. (1) All rules made under this Chapter shall be subject to the provisions of sub-sections (4) and (5) of section 57.

Provisions relating to rules.

(2) In addition to any power conferred by this chapter the Government may make rules—

(a) prescribing the statements and other information to be submitted with an application for recognition;

(b) limiting the contributions to a recognised provident fund by employees of a company who are share-holders in the company;

(c) providing for the assessment by way of penalty of any consideration received by an employee for an assignment of, or creation of a charge upon, his beneficial interest in a recognised provident fund;

(d) determining the extent to and the manner in which exemption from payment of income-tax may be granted in respect of contributions and interest credited to the individual accounts of employees in a provident fund from which recognition has been withdrawn; and

(e) generally, to carry out the purposes of this Chapter and to secure such further control over the recognition of provident funds and the administration of recognised provident funds as it may deem requisite.

56 M. This Chapter shall not apply to any provident fund instituted by the Government.

Application of this Chapter.

Clause put and carried.

Mr. President.—The question is that clauses 36 to 39 stand part of the Bill.

36. In section 57 of the said Regulation—

Amendments to Section 57.

(a) clause (c) of sub-section (2) shall be re-numbered as clause (e);

(b) after clause (b) of sub-section (2) the following clauses shall be inserted, namely:—

"(c) Provide for such arrangements with the Government of United Kingdom, as may be necessary, to enable the appropriated relief to be granted under section 27 of the Finance Act, 1920, or under section 51B of this Regulation;

(d) Prescribe the year which, for the purpose of relief under section 51B, is to be taken as corresponding to the year of assessment for the purposes of section 27 of the Finance Act, 1920; and".

37. In section 59 of the said Regulation—

Amendments to Section 59.

(a) the existing clause shall be numbered as (1),

(b) after clause (1) add the following clause namely:—

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"(2) Where, by reason of any portion of an assessee's salary, being paid in arrears, or in advance, or by reason of his having received in any one financial year, salary for more than 12 months, his income is assessed at a rate higher than that at which it would otherwise have been assessed, the Government may grant such relief as it may think fit".

38. In section 65 of the said Regulation—

Amendments to Section 65.

(a) in sub-section (2) for the words and figure "within two months of the passing of an order under section 33 or section 34", the words and figures "within 60 days of the date on which he is served with notice of an order under section 33 or section 34 or of an order under section 35 enhancing an assessment or otherwise prejudicial to him" shall be substituted.

(b) Before the existing provisos to sub-section (2) the following proviso shall be inserted, namely:—

"Provided that a reference shall lie from an order under section 35 only on a question of law arising out of that order itself, and not on a question of law arising out of a previous order under section 33 or section 34, revised by the order under section 35".

(c) In the existing first proviso to sub-section (2) –

(i) after the word "Provided" the word "further" shall be inserted,

(ii) after the word "question" the following words shall be inserted, namely:—

"or if the Commissioner rejects the application on the ground that it is time-barred or otherwise incompetent, or if in exercise of his powers under sub-section (3), the Commissioner refuses to state the case", and

(iii) after the word "may" the words "within thirty days from the date on which he receives notice of the order passed by the Commissioner" shall be inserted.

(d) After sub-section (3) the following sub-section shall be inserted, namely:—

"(3A) If on any application being made under sub-section (2), the Commissioner rejects it on the ground that it is time-barred, the assessee may, within two months from the date on which he is served with notice of the order of the Commissioner, apply to the Chief Court, and the Chief Court, if it is not satisfied of the correctness of the Commissioner's decision, may require the Commissioner to treat the application as made within the time allowed under sub-section (2).", and

(e) After sub-section (7) the following sub-section shall be inserted, namely:—

"(7A) Section 6 of the Cochin Limitation Regulation, 1079, shall apply to an application to the Chief Court by an assessee under sub-section (3) or sub-section (3A)."

39. In section 66 of the said Regulation after the words "the provisions of section" the figure "558" shall be substituted for the figure "358".

Amendment to Section 66.

Clauses put and carried.

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Mr. President.—The question is that clause 1 stand part of the Bill.

1. (1) This Regulation may be called the Cochin Income-tax (Amendment) Regulation, of 111 .

Short title, commencement and extent.

(2) It shall come into force on the first day of Chingam 1112 and shall extend to the whole of Cochin.

Clause put and carried.

Mr. President—The question is that the title and preamble stand part of the Bill.

The Cochin Income-tax Regulation Amendment Bill.

Whereas it is expedient further to amend the Cochin Income-tax Regulation, VIII of 1108, hereinafter referred to as the said Regulation: It is hereby enacted as follows.—

Preamble.

Title and preamble put and carried.

Mr. Thomas Manjuran.—I rise to move that Bill may be taken up and finally passed day after tomorrow.

Motion put and carried.

The Cochin Patents and Designs Bill.

Mr. Thomas Manjuran.—Sir, I rise to present the Select Committee Report on the Cochin Patents and Designs Bill. This Bill has not undergone any modification from the original Bill. I move that the Bill be taken into consideration.

Motion put and carried.

Mr. President.—The question is that Clauses 2 to 23st and part of the Bill.

2. In this Regulation, unless there is anything repugnant in the subject or context,

Definitions.

(1) "article" means (as respects designs) any article of manufacture and any substance, artificial or natural, or partly artificial and partly natural;

(2) "Controller" means the Controller of Patents and Designs appointed under this Regulation;

(3) "copyright" means the exclusive right to apply a design to any article in any class in which the design is registered;

(4) "design" means only the features of shape, configuration, pattern or ornament applied to any article by any industrial process or means,

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